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UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

In re  
i2a Technologies, Inc.,

Debtor.

Case No. 14-44239 CN

Chapter 11

**STATUS CONFERENCE  
STATEMENT**

Date: March 26, 2015

Time: 10:30 a.m.

Ctrm: 215

U.S. Bankruptcy Court  
1300 Clay Street  
Oakland, California

i2a Technologies, Inc., the debtor and debtor-in-possession in the above-captioned Chapter 11 case (the "Debtor"), submits the following status conference statement in connection with the continued status conference set for March 26, 2015.

**I. EVENTS SINCE THE LAST STATUS CONFERENCE**

As was set forth in the prior status conference statement, Victor Batinovich and his wife, Ann, owned a single family residence located in Los Altos, California (the "Real Property"). The Real Property was put on the market by the Batinovichs with the goal of raising funds to pay down the obligations of Heritage Bank of Commerce ("Heritage") and Wells Fargo Bank ("Wells"). The Batinovichs were also liable for the debts of the Debtor to Heritage and Wells. A buyer was

1 found for the Real Property and escrow for the sale of the Real Property closed on March 17,  
2 2015. As a result of the sale, Heritage was paid approximately \$1,125,905 and Wells was paid  
3 approximately \$48,067.

4 In addition to the sale of the Real Property, the Batinovichs were able to obtain a loan  
5 against their personal residence located in San Martin, California. The loan amount obtained by  
6 the Batinovichs was \$800,000. The Batinovichs used the bulk of the loan proceeds to pay the sum  
7 of approximately \$705,185 to Heritage and \$25,000 to Wells.

8 The combined result of the sale of the Real Property and the proceeds of the loan is that  
9 Heritage Bank has now been paid off by the Batinovichs resulting in the Debtor no longer having  
10 any liability to Heritage. In addition, the obligation of the Debtor to Wells Fargo Bank has been  
11 reduced by almost \$75,000.

## 12 II. CASH COLLATERAL ISSUES

13 The Debtor, pursuant to the terms of the court approved Stipulation for Use of Cash  
14 Collateral, obtained an extension of its use of cash collateral from Heritage in order to allow the  
15 Debtor to continue to operate while the Batinovichs attempted to satisfy the obligation owing to  
16 Heritage. The Debtor is working on a cash collateral agreement with Wells, to the extent that one  
17 is needed.

## 18 III. MONTHLY OPERATING REPORTS AND U.S. TRUSTEE FEES

19 The United States Trustee had incorrectly billed the Debtor for the quarterly fees owing to  
20 the U.S. Trustee. The Debtor finally got the U.S. Trustee to recalculate the fees reducing the  
21 amount owing substantially. The balance owing for the last quarter of 2014 is in the process of  
22 being paid. The Debtor is not current on the filing of its operating reports, but is working to bring  
23 them current. Victor Batinovich was focusing all of his efforts on trying to obtain the loan to  
24 partially payoff Heritage and to close the sale of the Real Property to remove Heritage Bank as the  
25 largest creditor in the Debtor's case.

## 26 IV. STATUS OF ISSUES WITH LANDLORD

27 The landlord of the Debtor's premises, Dolce Farr Niente, LLC, previously obtained relief  
28 from stay. The landlord subsequently served a Three Day Notice to Quit and commenced an

1 unlawful detainer action. The Debtor has stipulated to a Judgment of Possession in the unlawful  
2 detainer action and is still working with the landlord regarding a lease and evaluating other options  
3 regarding space from which to operate.

4 **V. DEBTOR'S RECOMMENDATIONS**

5 The Debtor given that it has through the payment by the Batinovichs eliminated the single  
6 largest creditor in its case, the creditor who precipitated the filing of the Chapter 11 case, would  
7 not be opposed to the case being dismissed. The Debtor does not believe that any of the creditors  
8 would be prejudiced because all the creditors will have retained their rights against the Debtor.  
9 The Debtor is working with Wells and believes that it can work out an appropriate arrangement  
10 with Wells and if unable to, Wells will retain its rights to enforce its claim against the Debtor.

11 Alternatively, the Debtor would request 60 to 90 days to continue to operate and either find  
12 new investors, additional business and/or to orderly liquidate its equipment if it cannot either  
13 obtain a cash infusion or determine if it can continue as a going concern.

14 Dated: March 19, 2015

KORNFELD, NYBERG, BENDES & KUHNER, P.C.

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17 By: /s/ Eric A. Nyberg  
18 (Bar No. 131105)  
19 Attorneys for Debtor i2a Technologies, Inc.  
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**DECLARATION OF SERVICE**

I, the undersigned, declare:

I am employed in the City of Oakland, County of Alameda, California. I am over the age of 18 years and not a party to this action. My business address is 1970 Broadway, Suite 225, Oakland, California 94612.

I am readily familiar with the business practices of my employer, Kornfield, Nyberg, Bendes & Kuhner, P.C., for the collection and processing of correspondence for mailing with the United States Postal Service and that correspondence is deposited with the United States Postal Service that same day in the ordinary course of business.

On March 19, 2015, I served the following document(s):

**STATUS CONFERENCE STATEMENT**

by placing copies of said document(s) in sealed envelope(s) and served in the manner or manners described below addressed as follows:

U.S. Trustee  
1301 Clay Street, Suite 690N  
Oakland, CA 94612-5202

Steven B. Mains  
Mains + Bloom, PC  
267 Locust Ave., Suite A  
San Rafael, CA 94901-2240

Joseph A. Lepera  
Lepera & Associates, PC  
601 Montgomery St. #665  
San Francisco, CA 94111

Stephen J. Kottmeier  
Brent Meyer/Jay Ross  
Hopkins & Carley  
70 South First Street  
San Jose, CA 95113-2406

Marc Andrews  
John H. Wunsch  
Office of the General Counsel  
Wells Fargo & Company  
21680 Gateway Center Drive, Ste. 280  
Diamond Bar, CA 91765

I placed such envelope(s) for collection and mailing at my employer's office following ordinary business practices, addressed to the addressee(s) designated.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 19<sup>th</sup> day of March, 2015 at Oakland, California.

/s/ Gail A. Michael